

## Message Text

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43

ACTION SS-20

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 STR-08 OMB-01 CEA-02 MC-02

DRC-01 XMB-07 /114 W

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R 011515Z NOV 73

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 6857

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FOR UNDER SECRETARY CASEY FROM CHARGE

E.O. 11652: N/A

TAGS: ETRD, RO

SUBJECT: SALE OF HELICOPTERS

REF: A) STATE 214283; B) BUCHAREST 0732; C) BUCHAREST 2352;

D) BUCHAREST 2857; E) BUCHAREST 2965

1. ALL INDICATIONS POINT TO FAIRLY QUICK DECISION BY GOR ON  
AWARDING HELICOPTER CONTRACT. WE HAVE WORKED CLOSELY WITH BELL,  
BOEING VERTOL AND SIKORSKY SINCE BID OPENED IN JANUARY 1973,  
AND HAVE CONCENTRATED ON ASSISTING SIKORSKY'S EFFORTS SINCE  
BELL AND BOEING WERE DROPPED FROM COMPETITION IN LATE SUMMER THIS  
YEAR. AS PROJECT APPROACHES ITS CONTRACT SIGNING STAGE  
BOTH FRENCH (SNIAS) AND SIKORSKY HAVE HEIGHTENED THEIR ACTIVITY  
AND MODIFIED THEIR BIDS. FRENCH, HAVING ALREADY CONCLUDED  
EARLIER CONTRACT FOR SMALLER HELICOPTERS (ALOUETTE III), AND  
ASSISTED BY GOVERNMENT FINANCING, FEEL THEY HAVE INSIDE TRACK.  
SIKORSKY IS ATTEMPTING TO REDUCE ITS BID FOR TECH ASSISTANCE,  
WHICH ROMANIANS HAVE INDICATED WAS OUT OF LINE, BUT IS STILL  
HAMPERED BY NOT HAVING BENEFIT OF EXIMBANK FINANCING (REFS D AND E).

2. OUR LATEST MOVE WAS CALL WHICH ECON OFFICER BRAMANTE AND I MADE  
THIS MORNING ON FIRST DEPUTY MINISTER GHEORGHE BOLDUR AT MINISTRY OF  
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MACHINE TOOLS AND ELECTROTECHNOLOGY (INCLUDES AIRCRAFT INDUSTRY),

WHO IS RESPONSIBLE FOR MANAGEMENT OF THIS CONTRACT AND OPERATION OF HELICOPTER MANUFACTURING PROGRAM, AND ON GENERAL STEFAN ISPAS, DIRECTOR GENERAL OF AVIATION INDUSTRIAL GROUP TO DISCUSS CURRENT STATUS OF BIDS AND TO EXPRESS OUR INTEREST IN CONTRACT GOING TO AMERICAN FIRM. DEPUTY MINISTER BOLDUR GAVE NOVEMBER 15 AS DATE ON WHICH HE WOULD PRESENT FINAL PROPOSALS, TOGETHER WITH HIS RECOMMENDATIONS, TO PRESIDENT CEAUSESCU FOR FINAL DECISION. BOTH BOLDUR AND ISPAS POINTED OUT THAT BOTH SNIAS AND SIKORSKY CAN MEET TECHNICAL REQUIREMENTS, AND CONTRACT AWARD WILL HINGE ON COMMERCIAL TERMS. THEY MENTIONED AS DRAWBACKS IN SIKORSKY BID, HIGHER TOTAL PRICE (INCLUDING TECH ASSISTANCE), EXPENSIVE ESCALATION CLAUSE, HIGHER FINANCING COSTS, AND UNSUITABLE MIX OF PRODUCTS INCLUDED IN OFFSET MANUFACTURING PACKAGE. WE ARE MEETING AGAIN WITH SIKORSKY REPS THIS EVENING IN BUCHAREST TO DISCUSS SITUATION. WE WILL DISCUSS ABOVE POINTS OF BID WITH SIKORSKY REPS, BUT WOULD APPRECIATE ANY ASSISTANCE POSSIBLE IN REEXAMING CURRENT STATUS OF POSSIBILITIES FOR EXIMBANK FINANCING.

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** ETRD, RO, SIKORSKY  
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